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# FOREIGN

## AGRICULTURE

MARCH  
1957



Agriculture in South Asia  
Yugoslavia's Collective Farms  
Australia Develops Brigalow Land  
Canadian-Japanese Trade



UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE

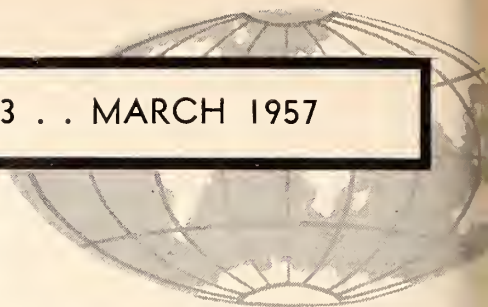


# FOREIGN

## AGRICULTURE

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To report and interpret world  
agricultural developments.



### "Outperform, Not Outbid"

Agricultural expansion is under way in Asia. As related in this issue, several South Asian countries have embarked on vigorous economic development programs. Highlighted in these programs is greater food production.

The self-imposed production goals are ambitious. In India, a 28-percent increase in output of food and fiber is the goal by 1961. Pakistan's new 5-year plan calls for spending \$2.4 billion on agricultural improvement. Plans in other countries are equally aggressive.

The end result of this expansion on U.S. trade is uncertain, but it is thought that South Asia will offer only limited additional competition in world farm markets.

The picture is different in the Communist orbit. Communist China is bolstering its production and trade on a gigantic scale. China is clamoring to regain prewar markets in Western Europe and Japan. This concerns the United States, since these two areas now take three-fourths of all U.S. farm exports. Often, prices and quality of China's products are lower than those of ours.

Communist China is ignoring human and moral values in its quest for more trade. Any gains China may make could be at our expense. As Mr. Jones points out on page 17, "It is important for us *not* to outbid but to outperform the Communists."

### Cover Photograph

This baby relished the recombined milk at the Bangkok Trade Fair (see story on p. 16). So popular was this picture that a newspaper has offered a year's free milk supply to the mother.

### In This Issue

	Page
How South Asian Countries Are Boosting Agriculture . . . . .	3
Are Collective Farms on the Way Out in Yugoslavia? . . . . .	6
Australia Develops Its Brigalow Belt . . . . .	8
Why Communist China Must Expand Its Agriculture . . . . .	11
Cotton Makes New Friends Around the World	13
Canadian-Japanese Trade Shows Upward Trend . . . . .	14
Thailand's People Introduced to Recombined Milk . . . . .	16
How Red Economic Tactics Have Shifted in Far East . . . . .	17
Australian Market in U.K. Strengthened by New Trade Agreement . . . . .	18
How Denmark and Holland Control the Quality of Their Dairy Products . . . . .	19
People in the News . . . . .	21
Peru's Farm Output Again Cut by Drought .	21
World Agricultural Summaries . . . . .	22
Trading Post . . . . .	23

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# How South Asian Countries Are Boosting Agriculture

By CLARENCE E. PIKE  
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**The author recently made a trip to South Asia to study agricultural programs and plans, for these could either expand or cut markets in that part of the world for U.S. farm products.**

THE COUNTRIES OF South Asia—India, Pakistan, Ceylon, Afghanistan, and Nepal—have set out on long-time programs to raise levels of living. A major element in each country's program is of course agriculture, not only because these countries are predominantly agricultural but because better living means, for one thing, more food—for use at home and for sale abroad. More products for use at home is a leading objective; more left over for sale abroad is secondary.

In achieving their goals, all the countries face major difficulties. Nevertheless, production of farm products almost undoubtedly will increase in each country in the next few years. But rapidly growing populations, present low living standards, industrial expansion requiring more agricultural raw materials, and numerous other factors make it appear that South Asia will offer only limited additional competition in world agricultural markets. Also, its need for agricultural imports will decline little, if any.

## India

Since gaining independence in 1947, India has been adjusting its agriculture to the changes brought on by the partition of Pakistan and has been increasing production to provide a higher standard of living for its rapidly growing population. Its First Five Year Plan, successfully completed on March 31, 1956, stressed self-sufficiency in farm products. Its Second, to

run through March 1961, puts increasing emphasis on industry but contains further goals for agriculture. Expenditure by the Central and State governments under the Second Plan is projected at something over \$10 billion.

Agricultural production targets in the Plan call for an increase in annual output of 28 percent by 1960-61 over 1955-56 production. They had been set at 17 percent, but food shortages and the need to get more foreign exchange from agricultural exports resulted in the government's revising them in November 1956.

The plan is for increases in—

	Percent
Cotton .....	56
Food grains .....	25
Oilseeds .....	37
Sugarcane .....	34
Jute .....	58
Other crops .....	22

To achieve these increases, most of the effort of the Community Development and National Extension programs will be devoted to boosting farm output, the irrigated area will be upped from 67 million to 88 million acres, and the application of nitrogenous fertilizer from about 685,000 short tons to 2 million. Also, land reclamation and improvement projects covering 3.5 million acres are to be undertaken.

The plan is expected to make for marked progress, but it appears unlikely that the 28-percent increase will be attained. However, there is little

question that such a production increase is needed to fully achieve the Plan's principal objective: rapid development of India's industrial potential.

My observations in India lead to the conclusion that the greatest effort will be made to achieve the targets set for cotton and food grains. These commodities are basic in India; most of the income of the Indian worker is spent for rice or wheat and cotton cloth. More money in circulation, resulting from development expenditures, will lead to more demands for food and cloth. If they are not available in adequate quantity, damaging inflation is inevitable. Also, large imports of these items would drain off the foreign exchange needed for development goods. Nevertheless, India is unlikely to achieve self-sufficiency in food grains and cotton during the Second Plan. In fact, its total requirements for food and fiber imports are expected to decline but little by the end of the Plan, although some changes in composition may occur.

Most of the contemplated increase in cotton production—largely of American upland type—will be absorbed by Indian mills, to supply the expected rise in per capita consumption of cotton cloth from 15 yards to about 18 yards. Exports of cheap cloth are likely to expand, too. The rest of the increase—of the short staple native type—will provide somewhat larger quantities for export and cut import needs some. A goodly share of the major cotton import needs will continue to consist of staple lengths commonly exported from the United States and East Africa. As in the past, the source of such imports will probably be determined largely by price and other competitive factors of a normal commercial nature.

The 25-percent boost in food grain





Courtesy of International Cooperation Adm.

Afghanistan's giant Kajaki Dam is the main source of water for the Helmand Valley irrigation project. Located in the country's arid southwest, this project will irrigate some 800,000 acres. It will probably take another 10 years to complete.

production, visualized in the revised Second Plan, will be needed by 1960-61 if India is to approach self-sufficiency in food grains. But despite the effort being made to reach the goal, it appears that the more modest 15 percent set in the original targets of the Plan was more realistic. India usually imports at least a million tons of food grains a year, more or less evenly divided between rice and wheat; and, for years to come, it is likely to need large imports for use in its major port cities and principal deficit areas. For both political and economic reasons, rice imports are expected to come mostly from nearby countries, but the sources of wheat will largely be determined by strictly commercial considerations.

## Pakistan

Since independence, Pakistan, too, has been striving to develop its economic potential. It has made substantial progress in textile manufacture and several other light industries, but its gains in agriculture have been much more limited. Private capital is reluctant to invest in agriculture because much higher returns are forthcoming from industrial and other investments,

and because of the threat of land reform and other social and economic programs under consideration for agriculture. Also, generally speaking, the Pakistan cultivator has not as yet been provided with the necessary incentive to make new, added efforts to increase the output from the land he tills. Too frequently the centuries-old lethargy continues to prevail. Political uncertainty and unrest also discourage efforts to increase farm output.

For some time, efforts have been made to get agricultural and other economic development projects more closely coordinated into an overall nation-building plan.

Last May, the draft of Pakistan's First Five Year Plan was released to the public. It calls for a total expenditure of about \$2.4 billion, and, in agriculture, for these increases in production:

	Percent
Food grains .....	13
Pulses .....	10
Oilseeds .....	29
Fruits .....	14
Vegetables .....	23
Sugarcane .....	38
Tea .....	15
Tobacco .....	16
Jute .....	15
Cotton .....	38

The targets call for 1,174,000 additional acres to be cropped in 1960 in major irrigation areas—1,034,000 in seven projects in West Pakistan and 140,000 in one project in East Pakistan. If and when the irrigation projects in the Plan are completed, 4,900,000 newly irrigated acres will be added—4,641,000 of them in West Pakistan. At present, East Pakistan cultivates a total of 31 million acres and West Pakistan, 20 million.

Cotton production will almost surely increase, but not to the extent provided for in the Plan. In the next few years, exports of cotton will be below recent averages because of increased need for raw material by the recently expanded domestic textile industry. Self-sufficiency in food grains will probably not be attained under the Plan, so imports can be expected to continue except in years of excellent harvests. Pakistan imports food in most years even though more than 80 percent of all cropland is devoted to food crops. Some increase in the output and export of jute—a main earner of foreign exchange—tea, and other commodities, combined with increased domestic production of consumer goods normally imported in large volume, may result in some improvement in the tight foreign exchange situation that has faced Pakistan in recent years.

## Ceylon

Shortly after the end of World War II the Government of Ceylon began a program of accelerated capital investment and development. For a number of years the program was not fully defined, but its aims were generally sound. Between 1948, when Ceylon attained political independence, and 1954, much valuable work was done, including completion of much of the work on the country's largest development project—the multipurpose Gal-Oya, which involves reclamation, irrigation, resettlement, and hydroelectric power.

In July 1955 the government published its Six Year Programme of Investment for the period Oct. 1, 1954, to Sept. 30, 1960. The program calls for the expenditure of slightly more than half a billion dollars; this is all public expenditure—not private devel-



opment funds. In order of relative cost, the money will be spent on (1) irrigation and colonization, for non-export crops; (2) electric power; (3) other agriculture, nonexport crops; (4) education; (5) public utilities; (6) rehabilitation of export crops, mainly rubber; and (7) health.

The major goal of economic planning is improving the standard of living, which is now one of the highest in Asia. This will be difficult at best because population is increasing at the very high rate of about 3 percent annually and the extensive British capital and management skills that brought Ceylon its present living standards are now available on a rapidly descending scale.

Food production could be greatly expanded through increased yields on land now cropped and by developing new land in the largely unused three-quarters of Ceylon known as the dry zone. This zone is not suited for the main export crops—tea, rubber, coconuts—which limits their potential expansion. They now occupy two-thirds of the country's farming land and their production potential has not been entirely exhausted.

Ceylon is making progress in its development program, but for the immediate future, agricultural production is not expected to get very far ahead of population growth. The socialistic program of the present government tends to discourage investment in agriculture by private capital—both Ceylonese and foreign. Too, the government's policy of getting the controlling interest in all businesses operating in Ceylon into the hands of Ceylonese citizens restricts the investment of new foreign capital and encourages the repatriation of old investments. These are some of the more important factors that appear likely to restrict agricultural development.

If world prices for its major export crops hold up, Ceylon will continue to be a substantial importer, on a strictly commercial basis, of rice, wheat flour, sugar, milk products, tobacco, and several other agricultural commodities. For some time it has imported about half of its food. Ceylon will also continue to be a major exporter of tea, rubber, and coconut products.



Photo by George V. Bowers

**Herdsmen in Nepal mountain village.** In this little known kingdom on the southern slopes of the Himalayas, a beginning has been made at raising agriculture above the subsistence level. Both the United States and India are cooperating.

### **Afghanistan**

Afghanistan has some projects under way and others in the planning stage designed to increase its agricultural production. Much emphasis is being placed on boosting output of export commodities in order to increase foreign exchange earnings. Cotton, dried fruits and nuts, karakul sheep skins, and wool are the leading exports.

By far the largest single project Afghanistan has undertaken is the Helmand Valley reclamation and resettlement project, begun in 1946. Located in the arid southwest, it involves construction of major dams on the Argandab and Helmand Rivers and of reservoirs, subsidiary dams, main canals, and a network of irrigation channels. The project calls for irrigating at least 800,000 acres, but it probably will not be fully implemented for another 10 years.

Among other economic development projects receiving government encouragement are cotton gins and other agricultural processing installations, several small irrigation projects, hydroelectric development, and cotton textile and other light industries. The rudiments of an agricultural extension education program have been started. And education, public health, community development, and communications are receiving assistance.

Afghanistan's economic projects are now being carried out within the framework of the country's Five Year

Plan. The Plan was announced in January 1956, but as yet the full details have not been released, although officials have put the cost at about \$250 million. Of the total, \$100 million is to be obtained as a loan from the USSR. And the country hopes that a sizable loan can be got from the World Bank, that considerable assistance will be forthcoming from the United States, and that additional loans and grants may be obtained from other foreign countries.

Increasing the production and export of cotton appears to offer the best immediate chance of adding to the country's foreign exchange earnings. Already, considerable newly irrigated land has gone into cotton. Output has increased substantially, and will further expand in the immediate future. Exports also will increase, particularly to the Soviet Union. However, Afghanistan's production of cotton is such a small part of the world total that the increase that may occur will have only negligible influence on world supplies and will not materially affect the competitive position of U.S. cotton.

Somewhat more dried fruit may also be produced and exported, but the Indian and Pakistan markets will probably absorb most of the increase.

Too, wheat, the principal crop and main food of the people, may also be produced in increasing quantities, but

*(Continued on page 22)*

Farmers' market near business district of Zagreb. Independent farmers sell products in small lots, while cooperative marketing groups have larger stalls.



Photo by J. M. Tinley

# Are Collective Farms On the Way Out in Yugoslavia?

Shortly after Yugoslavia broke with the Cominform the country's collective farms reached a peak of nearly 7,000. Five years later they had dropped to a bare 900. Dr. J. M. Tinley, Professor of Agricultural Economics, University of California, under the auspices of FAO recently made a survey of Yugoslavia's collective enterprises. In the following article, he explains what is happening and asks "Which way will Yugoslav agriculture turn—East or West"?

YUGOSLAVIA IS A communist-socialist state, and, in line with this philosophy, still regards the collective farm—or peasant work cooperative, as Yugoslav officials call it—as the ideal form of agricultural organization. Yet experience in Yugoslavia, as well as in other countries, casts considerable doubt as to whether the collective is the answer to effective mobilization of the rural resources of a country.

Like most other Eastern European countries Yugoslavia is traditionally an agricultural land. But its farms are small and fragmented. Some 86 percent of its 2.3 million privately owned farms are less than 20 acres. Consequently, it has been argued that if all the best farm lands were organized cooperatively into larger producing units, large-scale equipment could be used to greater advantage and adoption of improved production methods speeded up.

For 2 or 3 years after the present government came into power in Yugoslavia, no widespread effort was made to establish collective farms. A few were organized in the northern part of the country (Vojvodina) by veterans and families transferred from the unproductive mountainous areas of

the south. In other parts of the country, many were set up on a more or less voluntary basis, so that by the end of 1947 some 780 collective farms were in operation.

## Break with Cominform

Then in 1948 came the crisis. Yugoslavia broke with the Cominform group of countries. The threat of invasion from its Cominform neighbors was imminent, and the economy of the country was placed on a war footing. Especially serious was the problem of food and other agricultural production. Rationing and retail price control, still in force from World War II, were extended on a more rigorous basis; and at the same time, even more severe methods were introduced for compulsory delivery of agricultural products at fixed prices.

What was most needed was an early and considerable increase in all types of farm products—and the answer appeared to be the rapid expansion of collective farms. Every possible means, from encouragement to indirect pressure and coercion, was brought to bear upon individual farmers to get them to throw their farm holdings into col-

lective farms. Individual farmers were heavily taxed. As independent families, they were not permitted to purchase rationed foods. They found it difficult and unremunerative to meet their compulsory delivery quotas. And in many local areas, overzealous local leaders were said to have resorted to intimidation and even violence.

Whatever the means, the result was a mushroom growth of collective farms. From the 780 in 1947 they had reached a peak of 6,974 by mid-1950. But the results in terms of production were disappointing. Among the farmers who had been forced into collectives there was mounting discontent. And to make matters worse, Yugoslavia experienced severe drought conditions in 1950. The food situation was extremely serious.

## Aid from West

At this point, Yugoslavia was forced, although perhaps unwillingly, to turn to the West, and especially to the United States, for help, which was immediately forthcoming. Large quantities of foodstuffs, especially grains, were shipped to relieve the desperate conditions. Financial and material help was also given to aid development of other segments of the economy.

This help gave Yugoslavia breathing space. With the prospect of continuing aid from foreign countries, coupled with the fact that 1951 was a relatively good crop year, the Yugo-





Photo by Harold L. Koeller

Pride in their Simmenthal cows shows on the faces of this Yugoslav couple photographed at the Novi Sad Fair. This breed is common in Central Europe.

slav Government considered the time opportune to modify its socialistic framework for economic development. In essence, its plan was to divest the central government of its powers of control and direction over economic undertakings and to vest increasing powers in local governmental groups as well as in factories and workers.

Agriculture was also included in this sweeping reform. The ministries of agriculture were abolished at both federal and republic levels. Rationing, compulsory deliveries of farm products, and government controls over farm prices were gradually relaxed. At the same time, special legislation was passed permitting farmers who so wished to withdraw from the collective farms; and special regulations were promulgated setting forth the basis on which land, livestock, and equipment contributed by each farmer to the collectives were to be returned.

### Collectives Decline

The response to this more liberal attitude was rapid. Hundreds of thousands of farmers withdrew from the collective farms, which declined to 1,260 in 1953 and by the end of 1954 numbered 875. However, an upper limit of 24.7 acres was placed on the amount of arable land that any one farmer could own and operate. As a result, some of the land was sold to other farmers, and some was allocated to the farmers' general cooperatives to be farmed commercially for experimental and demonstration purposes. These general cooperatives—of which there were around 7,000 in 1955—perform a variety of services for their

members, including credit, purchases of farming and household supplies, marketing of members' products, and community education. But with the acquisition of land, nearly 3,000 co-operatives added farming to their other activities and services.

If large-scale farming seemed the answer to Yugoslavia's food production problem, the question naturally arises—why was it not successful during the years 1948 to 1953? One obvious reason is that the government's hand was forced. It had hoped that integration of agriculture into the socialist framework would be voluntary. Instead, faced with an acute political situation and prospects of food shortages, the government forced rapid expansion of collective farming. Serious mistakes of organization and operation

### Yugoslavia's Agriculture

Yugoslavia covers an area of about 99,000 square miles—roughly two-thirds the size of California. Much of the country is mountainous, so that only about half of it is agricultural. Of this area, 56 percent is suited to crops, orchards, and vineyards, with the remainder in meadows and pastures. Livestock predominates in a large part of the country. Corn, wheat, sugar beets, prunes, sunflowerseed, and tobacco are the leading crops, but volume of production has increased little, if any, since the prewar years.

occurred. Trained leaders were lacking. But above all, there was widespread resentment among the farmers over the coercive tactics used. Yugoslav farmers are deeply attached to their land. When collectivized they showed little interest and had no incentive. This was especially true of the more progressive farmers who had contributed the most land, livestock, and equipment. Also there was dissatisfaction in regard to allocation of work and the basis of remuneration.

### What Is the Future?

Which way will Yugoslav agriculture turn—East or West? At this stage, it is difficult to tell how Yugoslavia will line up eventually. Undoubtedly there is a sense of kinship to Russia, the mother of the Communist states. On the other hand, Yugoslavia in the past has shown a core of independence—and is still showing it today. Among Yugoslavia's leaders there is a strong body of opinion that the country should steer a middle course between the two camps, continuing to develop along its own lines as a "democratic socialist" state.

What happens to Yugoslavia in its political alinement is bound to have a bearing on the pattern of agricultural development in Yugoslavia. In 1955, the Federal Executive Committee announced a rather far-reaching redirection of overall economic policy. Less emphasis was to be placed during the next few years on heavy industry, and more on light and consumer-goods industries—including agriculture.

The plan for agriculture embodied a modification of the tax system and a decrease in tax rates, especially in the higher brackets. An agricultural extension service to reach the individual farmers was to be developed, and wider use was to be made of the farmers' general cooperatives as a means both of promoting increased agricultural production and of providing farmers with a market for their products. This would indicate that Yugoslav officials now consider the privately owned farm as the basic agricultural production unit, with improvement in the use of the country's agricultural resources effected through the

*(Continued on page 22)*





Photos from Queensland Dept. of Lands

Left, abandoned homestead in Queensland surrounded by prickly pear. Above, same site after the *Cactoblastis* wasp has practically destroyed plant growth.

# Australia Develops Its Brigalow Belt

By JAMES H. BOULWARE  
U. S. Agricultural Attache  
Canberra, Australia

**Stretching 800 miles north and south through eastern Australia is a noncontiguous belt covered with brigalow, a scrub-like acacia tree often attaining a height of 60 feet. Much of the area was once infested with prickly pear and overrun by dingoes. Yet in recent years such progress has been made in clearing and developing the land that today the brigalow country, as it is called, promises to be one of Australia's most agriculturally productive areas.**

AUSTRALIA TODAY is faced with the need to increase agricultural output. Its industry is expanding rapidly. Its population has leaped from 7 to 9 million since the war. Its standard of living has gone up. But only by growing more and selling more can this industrial upsurge be financed and the higher living standard maintained.

In various ways Australia is tackling this problem. Probably the most promising are its efforts to explore and cultivate new areas. Irrigation works in

the Murray and Murrumbidgee watersheds of southeastern Australia are providing rich acres for fruit, dairy products, and fat lamb production. The sandy soils of western and south Australia are being treated. Spectacular projects are under way to grow rice in the Northern Territory, and some million and a half acres of pasture and wheat land are being developed in the Esperance area of western Australia. The greatest opportunity, however, lies in the brigalow country of Queensland.

## Brigalow Country

Australia's second largest state, Queensland, is about 4.5 times the size of Montana. Its climate varies from the tropical north to the arid west with 10 to 15 inches of rain annually. The brigalow section extends from the New South Wales-Queensland border about 600 miles north and 200 miles south into New South Wales. It is not a continuous belt, but is interspersed with black soils and some unproductive shales. Its winters are mild and its rainfall fairly reliable.

The country gets its name from the brigalow tree or scrub (*Acacia harpophylla*) which grows with other trees in scrub formation on gently rolling land. The soil under the trees is rich in lime and potash, and phosphorus is usually abundant. Also the brigalow, being a legume, has supplied nitrogen to the land. Consequently, the 23 million acres of brigalow soil are some of the most potentially productive in Australia. Meat, wool, and grain can be produced on them at costs probably lower than those prevalent throughout the country. On cleared land yields of 30 to 40 bushels of high protein wheat are common. Also cotton has been grown to a limited extent, and there appears to be no reason why it could not be produced more extensively.

Until about 1930 virtually all of this area was used in its unimproved state to grow beef cattle. With the heavy tree cover, carrying capacity was low—about one animal to 50 acres. Even today an estimated 17 million of the 23 million acres of Queensland brigalow are untouched, the remaining 6 million being in varying stages of development.

## Past Handicaps

What delayed the clearing and full utilization of this highly productive land? A combination of factors: the



prickly pear, the difficulty of eradicating brigalow without heavy power machinery, the isolation of the area, land laws, water supply, and lastly—though certainly not the least—the dingo, Australia's wild dog.

The prickly pear was introduced into Australia as an ornamental in 1840. From a single plant it spread rapidly until the early 1900's, when it covered some 50-60 million acres, making the land practically unproductive. Much of the growth was 6 to 10 feet high and so dense that it could not be penetrated by a man on horseback. Fortunately control was found. The introduction of the *Cactoblastis* wasp marked the beginning of the end of the pear as a serious pest.

Clearing the land of the brigalow tree required more than an insect. The tree has an extensive horizontal root system from which it suckers freely. Ring-barking killed the tree, but burning the dead trees stimulated the growth of suckers. So it was not until the end of World War II when high-powered crawler tractors were introduced to uproot the scrub that any real headway was made. Aerial spraying with hormone solutions has also been helpful.

Isolation of the area and, in the early years, the abundance of land nearer the southern metropolitan areas of Sydney and Melbourne, delayed development. Land laws were a deterrent too. Most of the land in Queensland is government or Crown land and is leased to farmers. In the early days of settlement, large areas were leased for 30 years, and many of them still have years to run. Lessees usually could not improve the large areas held and, even if able to undertake improvements, they did not feel in a position to do so as it was certain that their areas would be substantially reduced when leases came up for renewal. These laws have been amended and more rapid clearing has resulted, but the lease system remains a handicap.

The problems of water and the dingo are still present. Ground water is of poor quality, difficult to obtain, and frequently too salty for stock. Runoff is low except in heavy rains, so that large volumes of water for

Clearing brigalow land is not the laborious job it used to be. Pictures at right show how it is done and the rich pasture lands that result.

stock must be stored in tanks (ponds). Now that heavy equipment is available, the construction of these enormous tanks is not as difficult as it once was. Against the dingo, which is more vicious than the American coyote, the only answer is "dog fencing." Dingos frequently kill calves and make sheep growing virtually impossible. The dingo is basically a forest habitant and will probably cease to be so great a menace as more settlements grow up.

### Principal Crops

The real impetus to developing the brigalow lands came after World War II. Under Australia's Soldier Settlement Program, land and credit have been made available to veterans. By American standards the veterans' farms are large—around 1,280 acres, although many of the older farms total 5,000 acres or more. Sheep, beef cattle, dairy cows for butter production, wheat, and sorghums are the primary enterprises.

Hilltop views in the area south of Wandoan in the spring show expanses of wheat that in 4 years out of 5 yield 30 bushels per acre and up of hard white wheat; sheep and fat lambs, grazing oats, alfalfa or Rhodes grass; beef cattle fattening on grass and green alfalfa; and in the distance rolling brigalow-covered hills extending 200 to 300 miles to the north. In other areas dairy farms predominate.

Grain, beef, and sheep farms are generally the most prosperous. The large areas, inexpensive and fertile land, modern power equipment and all-year grazing make it possible for farmers to produce profitably at market prices which would be considered low by American standards. Farmers probably will receive about \$1.25 per bushel (at rail sidings) for wheat marketed in 1956. Last December they received \$70 to \$80 each for 1,200-1,300-pound steers, \$8 to \$9 for 65-75-pound lambs, and about \$1.20 a pound for wool on a clean basis.



Photos from Australian BAE

Heavy tractors uproot trees.



Trees after aerial spraying.



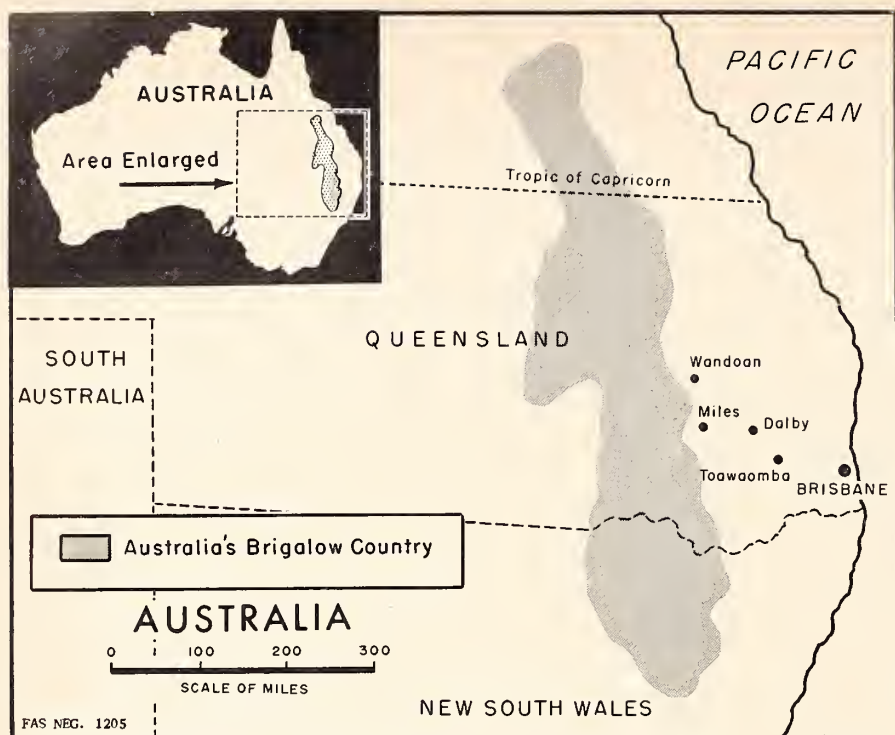
Land ready for reclamation.



Photo from Australian Dept. Agr. & Stock

Young dairy stock in pastures.





As a rule, dairy farmers are less prosperous than the beef, sheep, and wheat men. Here butter production is based pretty largely on cream deliveries. Even with a subsidized butter price, farmers are having a difficult time financially, especially if their herds are not large enough to overcome the high costs of production prevalent in such a newly developed region.

### Soldier Settlements

Soldier settlers who live on farms established, in most instances, since 1950 have properties in various stages of development. I visited a soldier settlement about 15 miles north of Wandoan late in 1956. There I found the farmers principally sheep and dairy men, with the former growing substantial acreages of small grains and grain sorghums. Oats are frequently grown for winter pasture and then harvested for grain. Wheat is an important cash crop.

Most of the settlers in this area had little capital when they began operations. As veterans they received allotments of land for which they were charged the unimproved value. Credit was available for clearing and construction costs, water supplies, and fencing material as well as for the purchase of livestock and living ex-

penses, if necessary, until initial returns were available. At the time of my visit, from a quarter to a half of most of the farms had been cleared. All of them were fenced, and all had at least one large water storage tank.

Not all the veterans receiving land were successful—though their failure was usually for reasons of health or lack of adaptability for farming. But in 1956 those who had been in business from 4 to 6 years had gross incomes ranging from \$4,000 to \$10,000 and higher. Dairy men are usually at the lower end of the income scale.

These farms are operated exclusively by family labor, except for shearing. At the end of World War II, the area had a beef cattle population of 10 to 15 to a square mile. Today the developed portions of the farms are supporting 3 sheep to the acre and 1 large animal on 3 to 4 acres. For the farmer who depends primarily on sheep, it is not overly optimistic to envisage, within the next 10 to 20 years, some 1,100 to 1,200 acres cleared and supporting some 2,500 to 3,000 sheep, in addition to 100 to 150 beef cattle to eat the forage not suitable for sheep. There is also every indication that these farms can and will grow some 150 to 200 acres or more of grain yearly, part of it in wheat.

By no means are all developments

being undertaken by small operators established with government assistance. Many of the established farms of 3,000 to 4,000 acres are clearing additional land to expand operations, as a result of more liberal treatment of leasehold lands. Probably the largest private operation is the clearing of 20,000 acres of a 163,000-acre property, about 60 miles north of the Tropic of Capricorn. Now used primarily for beef cattle, this property, as clearing and subdivision progresses, can be expected to increase productivity tenfold. On an area where historically 12 beef cattle per square mile have been the mainstay of the economy, this will have a big impact.

### Future Potential

Despite these developments, much of the Queensland brigalow country remains to be cleared and farmed. Estimates are that 14 million of the 23 million acres are suitable for crops and pasture; and that the remaining 9 million, too steep for cultivated crops, are suitable for pastures.

Wheat in all likelihood will be the major crop. The white wheat grown in this section has 11 percent or more protein and to date has found a ready market. Even with the current large world stocks of wheat, what hasn't been consumed locally has been bought by Japan and other countries. Thus it is possible that the Queensland wheat acreage of about 1.5 million will double, and possibly treble, in the next 15 to 25 years. On a yearly basis, however, the relative prices of livestock products and of such competitive crops as linseed, cotton, sorghums, barley, and canary grass will influence wheat acreage.

The brigalow country may also be expected to provide grass for fattening beef cattle raised in the semi-arid regions of western Queensland and the Northern Territory. As transportation improves, this would help Australia improve the quality of beef exported. As for sheep, as long as wool and fat lamb prices remain as favorable as they have been since 1950, it is almost certain that sheep production will be a major enterprise on the newly developed farms. Should dairy prices re-

*(Continued on page 21)*



# Why Communist China Must Expand Its Agriculture

By Hughes H. Spurlock  
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Chinese woman helps sieve grain. Few farm operations are mechanized, and only state farms have tractors.

COMMUNIST CHINA, according to all reports, is making a gigantic effort to expand agricultural production. The entire rural labor force—both men and women—has been recruited in a massive human drive toward this end. And, if human and moral values are disregarded, this drive is apparently meeting with considerable success.

The Communists have ruled China since 1949, and, in the 7 years, production has increased. For this the Communist Government claims credit. Actually, the end of hostilities, which permitted fuller cultivation of the land, in a large measure is responsible. Production would have rebounded from the low levels of 1949 without government intervention. As it is, the upward trend has been erratic. On a per acre yield basis, certain crops are still below prewar levels while others may be somewhat above.

From all indications, overall production in 1956 continued to mount. Production of most grains exceeded 1955 figures. Cotton and tobacco are also above 1955 levels. Soybean yields may have dropped. Other fats and oils have reportedly declined; and livestock production is lagging far behind prewar. But such lags are not in the Communist scheme of things, for if the country is to achieve its goal agriculture must be strengthened.

## Emphasis on Industry

The goal, however, emphasizes industry rather than agriculture. The Chinese Communists have launched an

industrial development program to give China an industrial-agrarian economy, with roughly 70 percent of national income from industry. At present, about 70 percent of China's national income is from agriculture, so this reverses the ratio completely. Moreover, this emphasis on industry—particularly heavy industry—cloaks the urgency and importance attached by state officials to increased agricultural production. Yet the signal fact is that the success of all economic development plans hinges on what can be achieved in agriculture.

Thus, China faces a problem common to many underdeveloped countries. Industry must be exploited before resources can be properly utilized and living standards improved. But industrial development requires large outlays of long-term investment capital that can only be acquired from foreign sources or raised from within the

country. Communist China, cut off from major sources of foreign capital, must raise investment funds largely from a backward agrarian economy.

China's agriculture has barely managed to afford the minimum essentials for the world's largest and most rapidly expanding population. For centuries the Chinese peasant—and 75 percent of China's people live on the land—has been hard pressed to feed, clothe, and shelter himself and his family. So obviously before the peasants can help finance an ambitious industrialization program, agriculture itself must be made more productive, and in addition, a program of austerity enforced.

Without rigid controls, a food-

Chinese farmer takes his cotton to market on foot. Lack of transportation is one of China's big handicaps.





short nation such as China would increase per capita consumption as production expanded, leaving no surplus for developing industry. So far the Communists evidently have not found a completely satisfactory solution to this situation.

### China's Resources

The government's approach to agricultural problems reflects three broad objectives: First, to guarantee political control of the countryside; second, to push ahead vigorously with the communization process; and, third, to increase production and hold consumption to the minimum. When an action is taken, there is no way of knowing which of these objectives is uppermost in the minds of government officials. Our concern here, however, is with the last of these—measures to increase production. To discuss them requires a brief survey of China's agricultural resources.

China is an agricultural country, ranking among the leading nations of the world in this respect. But China suffers from too few cultivatable acres and too many people. Only 11 percent of the country's 2,371,000 acres of land can be used for crops, and only 20 percent for pastures. The rest of the land is too rough, too cold, or too dry for agricultural use. Scattered grave mounds in the heavily populated cultivatable sections further reduce the area that can be worked.

China's climate covers a wide range, so that practically all kinds of crops, except some tropical ones, can be grown within its borders. This is favorable to self-sufficiency in agriculture. On the other hand, climatic conditions are responsible for many of the hardships that have plagued China for centuries. Floods, typhoons, and droughts are common occurrences, and their control constitutes one of the nation's most compelling problems. While the government claims to have made impressive gains, serious floods occurred in 1954 and again in 1956.

As with climate, China has a wide range of soils. In general, the soil where cultivation can be practiced is adequate if properly treated and watered. Before World War II, yields per acre on improved farms compared

favorably with yields in the better agricultural areas of the world. While erosion has taken its toll over the years, soil deficiencies can be corrected; and this step, along with irrigation, offers China its brightest hopes for increasing production.

The three factors—topography, climate and soils—have combined to concentrate China's vast population in the south and along the eastern shores of the country. In these areas, 96 percent of the people live on 36 percent of the nation's total land area. This concentration results in intensive cultivation, reasonably good yields per acre, but low income and much poverty for the peasants. Some redistribution of population is reportedly taking place, but opportunities are limited by much of the sparsely settled regions not being suitable for human habitation.

China faces other drawbacks too. Methods and equipment are ancient by Western standards. Seed improvement is needed. Fertilizer supplies are inadequate, and shortages exist in technically trained personnel, credit facilities, transportation, and other requirements for modern agriculture.

### Expansion Measures

The Chinese Communists have done extensive planning of ways to deal with their agricultural problems, and some of these measures, making the fullest possible use of cheap labor, are already under way. Briefly, they are:

**Irrigation.**—The government has pinned its hopes on irrigation, which is counted on to achieve about 24 percent of the production increases called for in current targets. To China, irrigation is an old art dating back several thousand years. Present plans call for large multipurpose dams to be developed by the central government, and small-scale projects to be undertaken by local groups, primarily the so-called cooperatives.

The state claims to have increased its net irrigated area from 50 million acres in 1949 to 64.5 million acres in 1955, with further expansion ahead. While some of the large-scale projects have been completed, more than 80 percent of this increase is represented by small irrigation works, such as minor canals and dams.

**Fertilizers and Manure.**—Greater use of commercial fertilizers is stressed, with more intensive utilization of both animal and vegetable manure. By this means the government hopes to gain 33 percent of the current production target. Since China does not have available more than a small fraction of her commercial fertilizer needs, attempts are being made to solve the problem by importing supplies and by greatly expanding the domestic fertilizer industry. Meanwhile, supplies on hand are being channeled toward producing such strategic crops as cotton and tobacco in accordance with the government's plan for expanding light industry and increasing exports.

**Reclamation.**—Chinese Communists speak of great potentials in reclamation. Foreign agriculturists who have worked and studied in China take a different view. They point out that occasional small patches of land can be reclaimed locally, but that many of the large-scale reclamation projects would yield such low marginal returns they are hardly worth undertaking. The Chinese, nevertheless, claim to have increased total acreage quite substantially by reclamation.

**Farm Machinery.**—Government officials also speak of mechanizing agriculture. Relatively simple implements have been introduced, for example two-wheeled double-shared plows and new water wheels. Some tractors, imported from Russia and other countries, are in use on state farms, and the Chinese have also turned out a few. But it is very doubtful if machinery will replace human and animal labor for a long time. China's industry cannot produce in quantity the needed equipment. Introduction of machinery would create unemployment before industry could absorb the surplus labor. Much of China's land is too rough to be mechanized; and besides, human labor is very cheap. Consequently, the pressure to up production will only add to the already difficult lot of the peasant, who will have to struggle along without labor-saving equipment.

**Improved Seeds.**—Before World War II considerable work had been done in selecting and breeding improved seeds, and presumably many



of the technical personnel trained in this work remained in China. The present government apparently supports seed improvement but what has been achieved is not known.

**High Yielding Crops.**—To increase food yields per acre the government is emphasizing the production of such high-yielding crops as potatoes and corn.

**Insect and Disease Control.**—China does not have an adequate supply of fungicides and insecticides; also spray and dusting equipment is lacking, so that protecting plants and livestock from insects and diseases is a serious problem. Annual losses have been estimated to equal 10 percent or more of total production. A domestic industry is being developed to meet the need, and meanwhile, supplies are being imported.

## Outlook

If the peasants can bear the burden of harder work with little in the way of personal gain for their effort, plus a rigid austerity, significant though not spectacular gains in production should be possible. However, the crucial part of the question is not whether total yields can be raised but whether production can outdistance population.

In 1953 the population of Mainland China was reported to be over 582 million. With the net rate of increase estimated at 1½ percent annually, China's population would be roughly 750 million by 1970. To maintain per capita consumption at the lowest subsistence level for such a vast population, agriculture would have to make rapid strides.

Faced with this forbidding prospect, China could decide to satisfy its home food requirements first. But this is unlikely. Though a food-deficit nation, China has exported its farm products and will continue to do so, if there is any economic or political advantage to be gained.

For the United States this means direct competition. Both countries export rice, soybeans, tobacco, vegetable fats and oils, dried eggs, and other products. Much of China's prewar trade in these items was with the United States, Western Europe, and Japan. Today the United States does

## Cotton Makes New Friends Around The World



Photo by Herbert K. Ferguson

In four countries of the world, the U.S. cotton industry and the local textile trade are working together to demonstrate the many uses of cotton in all phases of daily living. U.S. market development programs have been in progress in France and Japan for more than a year, while projects in Spain and Italy are just starting.

Outstanding feature of the programs is the cooperation of local textile groups. In France and Japan, local organizations have sponsored nationwide campaigns featuring cotton week, fashion shows, and other promotional projects. Department stores have been encouraged to hold special sales of cotton products. Magazines, newspapers, radio, and television have been utilized to advertise and promote the use of

Roman girl poses in cotton stole. Italy's cotton marketing program is making a good start with aid from USDA and the Cotton Council.

all kinds of cotton textiles. In Spain and Italy, trade groups will follow this same general pattern of promotion.

New uses for cotton textiles have been fostered in a number of ways: Japan crowned a cotton queen and inaugurated a nationwide cotton program that helped boost sales of cotton textiles by 20 percent within a few months. French designers lent their talents to design high-style cotton fashions in their own country and also in Spain. At the same time the United States was exhibiting cotton at international trade fairs. The U.S. Maid of Cotton, sponsored by the Cotton Council International, appeared at fashion shows in France and the Barcelona Trade Fair in Spain, wearing high-fashion cotton modes. This spring she is scheduled to tour five Italian cities to help "kick off" Italy's program.

Operations in all four countries are sponsored by the U.S. Department of Agriculture under Public Law 480 in cooperation with the Cotton Council International and the cotton textile trade in each country.

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not trade with Communist China; the bulk of China's trade is with Communist Bloc countries. But the Chinese Government is making a determined effort to regain its markets in Western Europe and Japan. Together these two areas account for about three-fourths of all U.S. agricultural exports, so any gains China might make would probably be—at least in part—at our expense.

# Canadian-Japanese Trade Moving Upward

A STRIKING GROWTH in volume has marked the postwar trade between Canada and Japan. This growth has been one result of the changed world conditions that have tended to swing both countries away from their narrower prewar trade patterns, toward new sources and new markets.

Before the war, trade between Canada and Japan had only minor significance to either country. Canada looked to Japan as a source for less than 1 percent of its imports, and as a market for only slightly more than 2 percent of its exports. Europe, and particularly the United Kingdom, was where Canadian traders had traditionally sought outlets for their agricultural, fishery, and forest products.

Japan, for its part, obtained about 3 percent of its imports from Canada before the war, but was sending Canada only one-half of 1 percent of its exports. Japan tended to trade with nearby Asian countries to meet its growing food deficits, and with the more populous areas all over the world to find outlets for its textile products and other manufactures.

In 1936-38, among the many agricultural products Japan imported, only wheat came from Canada in significant amounts—2.5 million bushels a year. All Japan's other agricultural imports from Canada averaged only \$1 million a year. Among these were flour, raw hides and skins, and small quantities of some meat and dairy products. From elsewhere Japan imported raw cotton and wool, oilseeds and vegetable oils, oilcake, corn, beans, millet, and rice.

## Japanese Imports from Canada

Today Japan meets less of its food deficit from Asian or South Pacific countries than it did before the war. It has reduced its consumption of rice,

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and is using increased quantities of imported wheat and barley. And it is buying in the U.S. and Canada a much larger volume of grains, oilseeds, animal fats, hides and skins, and dairy products.

During the last 5 years the value of Canadian agricultural exports to Japan has averaged more than \$70 million annually, compared with the \$3 million average for 1936-38, and the \$1.8 million of 1949. Exports of wheat jumped from 4.7 million bushels in 1950 to a record in 1956 of probably 34 million; barley exports went up from 0.6 million to 11 million. Wheat flour and flaxseed exports tripled.

Growth in the livestock products trade was on a smaller scale but no less important percentagewise. For instance, the number of hides and skins exported increased steadily from 19,473 in 1950 to about 200,000 in 1956; tallow exports increased from

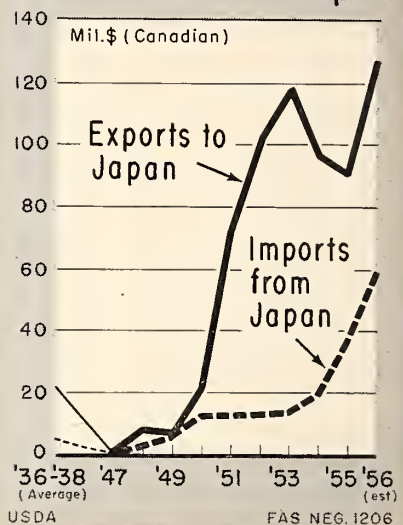
534,700 pounds to more than 7 million. Total meat exports reached a peak value in 1953 of \$1 million, compared with \$241,276 in 1950. Exports of milk products reached their peak value in 1952—\$392,218 compared with \$38,690 in 1950.

In nonagricultural products, too, Canada has a substantial export trade with Japan. The principal items are paper pulp, iron ore, asbestos, petroleum, and lead pigs. The total value of Canadian exports to Japan reached \$106,552,093 for the first 10 months of 1956—five times the trade for the entire year 1950.

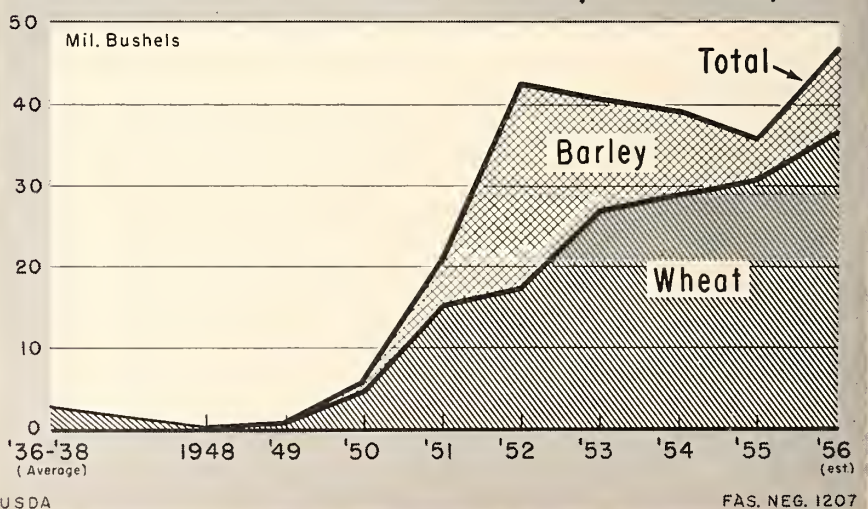
## Canadian Imports from Japan

Canada's imports from Japan have never equaled the value of its exports

**Increase in Canada's Total Trade With Japan**



**Increase in Canada's Grain Exports to Japan**





to Japan. In 1936-38 they averaged \$5 million, compared with exports amounting to \$22 million. By 1952, when Japan was in need of foodstuffs and raw materials but had not yet developed overseas markets, the gap had reached \$105 million. It was reduced to \$77 million by 1954, however, and to \$54 million in 1955, when Canada's imports from Japan rose to \$36.7 million. This made Japan Canada's fifth most important foreign supplier.

Much of this increase in imports comes from nonagricultural goods. These include fresh fish and canned tuna, steel casing, steel plates and sheets, plywood, china tableware, textile piece goods, woollen gloves, clothing, toys, buttons, fish nets, jewelry, sewing machines, and optical goods.

Total imports of agricultural items reached a level of \$2 million in 1954, compared with \$1 million in 1950. Oranges and mandarins, the principal import, rose from \$500,000 in 1949 to an average of \$1.4 million for the last 3 years. Canned fruits, partly exotic types, increased from \$1,466 in 1949 to \$209,909 in 1955. The few remaining agricultural trade items also showed substantial increases.

**Bases for Sound Future Trade**

The foundations are being laid for a stable and expanding trade mutually advantageous to Japan and Canada. The natural population increase, together with further shifts in the Japanese food consumption pattern toward a broader and more nutritious diet, should have a long-term beneficial effect on trade in agricultural products. Japanese industry and Government are exercising strong leadership in the improvement of Japanese nutrition, and Canadian leaders show a keen awareness of the market possibilities in Japan.

About 20 percent of Japan's food requirements must be imported. With a population already close to 90 million, Japan must import food enough for 18 million persons—more than the total population of Canada.

This food deficit is of increasing significance to Canada and the United States. The more broadly based industrial activity of the nation has brought increased prosperity. This enables the Japanese consumer to purchase a greater variety of foodstuffs than ever before. He is eating less rice and more bread and other bakery products. He is substituting barley for some of his rice, or blending it with rice in the making of porridge.

Industrial leaders feel that to maintain health their employees need a balanced diet. To increase the intake of proteins and minerals, they and the government are cooperating in broad programs encouraging the use of wheat flour in many different types of cooking. Some of these programs may be expected to bear fruit in the form of long-term improvements in eating habits. One such program is the training of young bakers and home demonstration agents to prepare the higher protein meals and to teach these methods to others who cook—in the industrial canteen, in the public restaurant, and in the home.

Japanese purchasing policy is geared into the program of providing high-quality and palatable grain products. Japan tries to divide its wheat purchases among supplying countries so as to obtain the quantities of hard red winter types of wheat, hard spring wheat, and soft wheat that will give the desired blend of flour for bread and pastry.

Canada is taking advantage of the opportunity provided by the expanding Japanese market. In each of the

3 years 1953, 1954, and 1955, Japan was Canada's third best customer for all Canadian exports. In 1953 it was Canada's second best customer for wheat, being surpassed only by the United Kingdom.

Canadian market development activities have included action by various departments of the Government. A commercial treaty and ad hoc arrangements were negotiated with Japan in 1954. These were followed by other official trade talks, visits, and pronouncements.

Canadian leaders characterize the new Japan as one of the world's largest markets for foodstuffs and raw materials. They note Japan's growing need of the raw materials and foodstuffs—such as iron ore, asbestos, wheat, barley, and flaxseed—that Canada produces for export. At the same time they point out that Canada will need certain products which Japan can supply, particularly industrial machinery and equipment.

**U.S. Exhibits Planned For '57 Trade Fairs Abroad**

International trade fairs have proved to be successful showcases for U.S. farm and industrial commodities all over the world. Last year millions of people were able to familiarize themselves with these products through U.S. exhibits. During 1957 the U.S. Department of Agriculture will continue its market development and promotional activities in at least four important fairs.

The first will be the International Agricultural Fair and Horse Show at Verona, Italy, Mar. 10-19.

The International Trade Fair at Tokyo, Japan, comes next, on May 5-19.

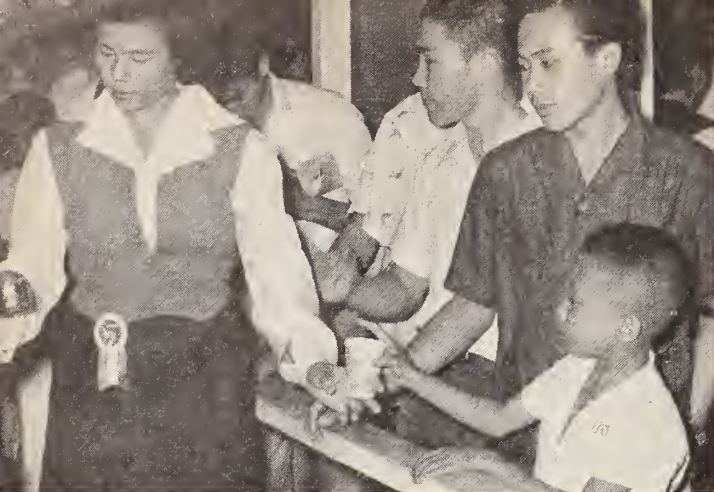
On June 1-20, Barcelona, Spain, will hold its 25th International Samples Fair.

And the 4th ANUGA General Provisions and Fine Foods Exhibition will take place at Cologne, Germany, Sept. 28-Oct. 6.

**LEADING CANADIAN AGRICULTURAL EXPORTS TO JAPAN, PREWAR AND 1949-56**

Commodity	Unit	Average 1936-38	1949	1950	1951	1952	1953	1954	1955	Jan.- Oct. 1956
Barley	Mil. bu.	.....	.....	0.6	5.6	25.7	13.7	10.8	5.0	8.4
Wheat	Mil. bu.	2.5	0.3	4.7	15.5	17.1	27.0	28.8	31.0	30.7
Wheat flour	Mil. bbl.	.2	.....	.1	.1	.1	.3	.2	.2	.3
Flaxseed	Mil. bu.	.....	.....	.3	.6	(1)	.5	1.2	1.5	1.4
Hides and Skins <sup>2</sup>	Million	(1)	(1)	(1)	(1)	(1)	.1	.1	.2	.2
Meats	Mil. lb.	.9	1.1	.3	.3	1.2	1.3	.1	.1	(1)
Cheese	Mil. lb.	.1	.....	(1)	.1	(1)	.....	.....	.....	.....
Milk, processed	Mil. lb.	.1	.7	.2	(1)	2.4	.....	.1	.3	(1)
Lard	Mil. lb.	.....	.....	.....	.....	.5	.1	.2	.3	.1
Tallow	Mil. lb.	(1)	.....	.5	1.9	7.0	1.0	5.7	9.5	7.1

<sup>1</sup>Less than 50,000. <sup>2</sup>Raw, except fur skins.



Courtesy of Elmer W. Hallowell



Left, visitors to the Trade Fair at Bangkok line up for the recombined milk served at the U.S. dairy exhibit. Right, a Thai family enjoys its share. The milk was produced in a new Bangkok plant using U.S. dairy ingredients.

## Thailand's People Introduced to Recombined Milk

**M**ORE MILK and a better diet for Thailand's people; a big new group of customers for U.S. dairy products: these are the joint aims of a market development program now getting into full swing in Thailand.

The program springs from an agreement between FAS and Dairy Society, International, under Public Law 480. Plans include the distribution of over 1.3 million free 8-ounce samples of recombined milk, in a widespread campaign of nutritional education.

For milk, most of Thailand at present depends on the water buffalo. This milk is rich and good, but pasturage is highly seasonal. Even in the good seasons, comparatively little milk gets from buffalo to urban market; for transportation is inadequate.

Thus, foremost among the purposes of the program is an immediate increase in the milk supply. And Foremost Dairies, Ltd., is the name of a new milk-recombining plant in Bangkok, financed by Foremost Dairies of San Francisco and 23 Thai shareholders. This month the plant is scheduled to reach its full product capacity of 3,000 gallons per day. It will make not only recombined milk, but cottage cheese, ice milk, sherbet, and other specialty products.

This plant, the first of its kind in Thailand, gets nonfat dry milk and anhydrous milk fat from the United

States under a P.L. 480 agreement, with payment in Thai currency. From these it produces the recombined milk that the DSI project buys for the milk sampling program.

This sampling program has the support and guidance of Thailand's Public Health and Education Ministries and of Bangkok's medical and education services. A preview of the reception it can expect came at the Constitution Trade Fair held in Bangkok December 7-22. Whole families stood in line for the 100,000 cups of recombined milk and the 1,200 containers of ice cream that Foremost Dairies produced for the U.S. dairy exhibit. Recombined milk, though completely different in taste from the buffalo milk most Thais use, clearly hit the spot.

But the Fair reached only those who attended it. The sampling program covers a much larger area, during several months. Of the 1.3 million sample bottles, 250,000 are going to "control" groups of children. In certain elementary schools with a total of about 1,200 pupils, every child is getting a half pint of milk a day from February to December 1957. At the end of the period their records of height, weight, attendance, and attainment will be compared with those of children of the same ages in other schools. In three orphanages housing a total of 540 children, half the chil-

dren will get milk; their records will be compared with those of the other half.

Another 800,000 sample units are scheduled for noncontrolled distribution in Bangkok schools. At least once a week, for at least one 12-week school term, each of the 50,000 or so pupils in kindergartens and elementary schools will receive a milk sample.

About 200,000 units are going to hospital patients, primarily those certified by doctors as suffering from malnutrition.

The last 83,000 units are being distributed at lectures on the nutritive value of dairy products, to various cultural and educational groups.

The Fair showed how much interest this sampling technique can arouse. But the goal of the program is a real and permanent demand for dairy products, backed by an understanding of their value in the diet and by a sufficient local supply. So, along with the samples, DSI is putting out literature in the Siamese language, as part of a widespread publicity campaign. This explains the advantages to be gained from using dairy products. But it also stresses the fact that the free milk program is a temporary one, restricted in scope by limited funds, whereas the same high-quality dairy products are now available commercially in Bangkok at reasonable prices.



# How Red Economic Tactics Have Shifted in the Far East

Economic policy and program developments in the Far East were discussed by Howard P. Jones, Deputy Assistant Secretary for Far Eastern Affairs, U.S. Department of State, in a timely address before the Far East-American Council of Commerce and Industry, in New York. What he had to say about Soviet tactics in this area is particularly pertinent to agricultural trade. Excerpts from his talk are given here.

**T**O THE LEADERS in the Kremlin, ever eager to capitalize on situations of weakness, the mass Asian frustration over their economic lot must have seemed readymade for the Communists' exploitation. Almost as soon as mainland China became Communist, it began to flood free Asia with propaganda of fantastic achievements which the Communists asserted were the fruits of a Marxian approach. That many of the claims were beyond the realm of plausibility did not wholly detract from their propaganda value among the unsophisticated and those yearning for, and ever ready to believe that there might be, an economic panacea.

Until 1955, however, the Communist Bloc largely limited itself to eulogies of its achievements and to admonitions to the free Asian countries not to accept foreign aid lest they lose their independence and revert to their colonial status. The Communists shed crocodile tears for the plight of the underdeveloped countries. Since they gave no foreign aid themselves, they denounced it as iniquitous and an instrument of imperialism.

Suddenly the Communist line shifted. The Soviet economic policy veered from one of autarchy within the Soviet Bloc to a view that foreign trade is both an "organic part of the socialist economic system" and "an integral element of Soviet foreign policy." Soviet trade groups and economic missions suddenly arrived on the Asian scene. That genial pair of

salesmen, Bulganin and Khrushchev, took the long trip to the Far East to drum up business. As a result, the Bloc countries now have trade agreements with five of the countries of the Far East and South Asia.

In its trade drive, the Bloc has based much of its appeal on the needs of underdeveloped countries to expand their markets for agricultural products and to stabilize their export earnings. The Bloc was not deterred from doing this by the fact that in previous years it had consistently denounced Asia's trade with the West on the grounds that that trade consisted primarily of agricultural and other raw materials and was therefore colonial in nature. This was overlooked, however, by much of Asia when the Bloc publicized its willingness to take agricultural commodities in surplus in free Asia—sometimes at premium prices, as in the case of Ceylon rubber. State trading organizations have stood ready to carry out central decisions rapidly, and all the organs of Communist propaganda lost little time in playing up the advantages of such trade and in fanning already strong prejudices against Western economic policies—particularly surplus-disposal programs and various aspects of U.S. aid policy.

The Sino-Soviet Bloc, however, has not had unqualified smooth sailing. There has been dissatisfaction in Burma with Communist barter arrangements. The former Prime Minister of Burma has been quoted as saying that "anyone who takes barter when he can get cash is out of his

mind." The Burmese have found the Communist goods over-priced for their quality and uncertain as to delivery. Much-advertised large Russian shipments of cement turned into an utter fiasco when the cement caked on the docks because of improper packing and became unusable. Fountain pens manufactured in Communist China proved balky when applied to paper. Burma disposed of large quantities of its surplus rice to China but could scarcely have been pleased when Communist China turned around and exported rice to Burma's traditional cash customers.

The final score on this Communist game of "clap in, clap out" is not yet in. The Communists are intensifying their trade efforts. In this arena the competition is between Communist bureaucrats and American and other Western private businessmen. Even though the Communist competition is likely to be anything but fair, we have no fear of the outcome.

There is another aspect of this problem to which we all need to be alert. The Chinese Communists are buying rice from Burma at fictitious prices and selling rice to Burma's own customers—Ceylon and Pakistan. They are even selling some rice to Japan. This is better than a triple play; it helps entangle the free countries in the Communist economic spider web and reduces the amount of rice Taiwan and other free countries such as Burma, Thailand, and the United States can sell to Japan.

While this is going on, an intensive effort is under way to invade Southeast Asian markets and incidentally elbow out Japan. Red China consumer goods—from bicycles to bandanas—are beginning to pour into such centers as Bangkok and Singapore. The goods are priced below the market, but the quality is poor. Chinese merchants are assigned quotas by the Communists, and the goods are delivered on consignment.

Perhaps even more spectacular than the Communist trade offensive is the completely new face which the Communists are showing in extending foreign aid. It is a sobering fact that since 1954 members of the Sino-Soviet Bloc, after years of denouncing foreign aid

as an unvarnished instrument of Western imperialism, have agreed to extend to 11 underdeveloped countries in the world the equivalent of \$1 billion in credits for the purchase of Communist goods and technical services. The bulk of these credits have gone to Yugoslavia, Egypt, India, and Afghanistan. Indonesia and Cambodia have now been added to this list. Indonesia recently agreed to accept a line of credit from Soviet Russia equivalent to \$100 million. According to the announcement, the terms of the loan call for 2½ percent annual interest to be repaid in 12 years in commodities, pounds sterling, or other convertible currency. The individual projects for which the credit is to be utilized are to be agreed upon by the two governments.

In assessing the attractiveness of the Russian economic aid offers, it is well to bear in mind that, although the Communists offer interest at 2 percent and 2½ percent, their loans are generally payable within 10 to 15 years and usually do not provide for any grace period before the beginning of payments on principal. Under our mutual security program, the United States makes 40-year loans with interest at 3 percent if repaid in dollars or 4 percent if repaid in local currency. The development loans of our own Export-Import Bank, although they currently bear a somewhat higher rate of interest, are often for a longer term than are the Communist offers and usually provide for some grace period.

These new Communist efforts need not throw us off stride. It is important for us not to outbid but to outperform the Communists. As President Eisenhower pointed out in his message to Congress on the Mutual Security Act last March 19, "Our programs which were conceived in the common interests of the free nations must go ahead affirmatively . . . to meet the common need." Indeed, one of the surest indications that our programs have been sound and have been serving to strengthen the cause of freedom in Asia is the very fact that the international Communists have now felt compelled to undertake a program which superficially resembles our own.

## Australian Market in U.K. Strengthened by New Agreement

Assurances of a market in the United Kingdom for Australian agricultural commodities are projected in the new United Kingdom-Australian trade agreement scheduled for adoption this year. This agreement, expected to operate over a 5-year period, replaces the U.K.-Australian Ottawa Agreement of 1932, which for the past 25 years has more or less governed the trade relations between these two countries.

The new proposal is broader in scope than the 1932 pact. Not only does it still preserve the principle of preferential tariffs by both governments but it sets up new trade policies. On such important issues as agricultural policies and trade the two governments have agreed to consultation. Proposals for the disposal of surpluses will be subjected to discussion by both countries; and if necessary, legislation to prevent dumping will be negotiated in order to safeguard trade between these two Commonwealth areas. Transportation and communication problems will also be tackled jointly.

According to the text of the proposed agreement, both governments will be subject to specific commitments. The United Kingdom agrees to maintain tariff preferences at present levels and guarantees bindings on certain commodities of interest to Australia. Most of these commodities are agricultural, as Australia's exports to the United Kingdom are primarily agricultural.

Australia, on the other hand, agrees to the maintenance of tariff preferences on imports of United Kingdom goods now subject to preferential treatment. But Australia also reserves the right to reduce the levels of preference to new guaranteed minimum margins of 7½ percent on capital goods and 10 percent on most other goods.

For the United States the agricultural tariff preferences enjoyed by Australia in the U.K. market have particular meaning, since many of the

commodities specified in the agreement are competitive with U.S. products. Among them are cheese, such fresh fruits as apples, pears, oranges, and grapefruit, certain canned fruits, dried fruits, dried milk, tallow, canned meats, barley, wheat flour, dried peas, dressed poultry, casein, sausage casings, oats, rice, grain sorghums, and tomato juice.

Another important feature of the agreement, from the U.S. point of view, is a separate portion dealing with wheat. It is the "desire and expectation" of the two governments, states this portion, that commercial sales of Australian wheat or wheat flour in the United Kingdom market should total 840,000 short tons annually. While the language of the agreement may not impose an obligation on British millers to import Australian wheat or wheat flour in the quantity specified, it is clearly indicated in the agreement that should the United Kingdom's annual wheat imports from Australia fall below the 840,000 tons, either government could request consultations and further negotiations. In the 5-year period 1951-55, Australian shipments of wheat and wheat flour (in terms of grain) to the United Kingdom averaged 630,000 short tons a year. U.S. exports to the United Kingdom during this same period amounted to about the same.

The initiative for this new agreement came from the Australian Government. Substantial changes since World War II in the pattern of world trade as well as in the economic situation of both countries had made revisions in the 1932 agreement necessary. The Australians are anxious to increase exports to the United Kingdom of their traditional farm commodities—especially wheat. Moreover, they want greater freedom in reducing preferential tariff commitments with the United Kingdom on both manufactured and capital goods. Only in this way, they feel, can they lower domestic costs and facilitate increased trade with other countries.





Photos courtesy Danish Ministry Foreign Affairs

# How Denmark and Holland Control the Quality Of Their Dairy Products

By PATRICK E. O'DONNELL  
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The Lur brand on Danish butter exports, as shown on casks at left, has been a mark of quality since 1911. Above, cheese being graded.

**B**OTH DANISH AND DUTCH dairy products enjoy a worldwide reputation for quality. The Netherlands has been exporting butter and cheese for the last 200 years, and Denmark since late in the last century. Probably the greatest single lesson that experience has taught them is that high

quality requires unceasing vigilance. For only by patient, persistent attention to all the details involved in production, packaging, handling, and distribution can excellence be maintained.

Quality control begins on the dairy farms where milk is produced. Poor sanitation practices are discouraged by

penalties, and top-quality milk producers rewarded with premiums. In the dairy plants, layout and equipment are regulated by the government. Both testing and grading are required by law. Yet equally important is the discipline that the dairy producers in these two countries impose on them-

Testing butter for firmness and texture at a Dutch dairy—one of the ways the Dutch maintain butter quality.

Butter for export is graded once every 3 weeks at one of Holland's butter control stations.

Photos courtesy Netherlands Information Service





selves. Without it Danish and Dutch dairy products would never have achieved such a leading position in world markets.

## Denmark

The symbol of quality on Danish butter and cheese is the well-known Lur brand, which has been used as a mark of quality since 1911. No butter or natural cheese may be exported from Denmark unless it carries this brand. It is a guarantee of composition, purity, and quality.

**Butter.**—All Lur brand butter must contain at least 80 percent milkfat and not more than 16 percent moisture. Samples are subjected to chemical and microbiological analyses and to quality tests as well. Keeping quality is also tested by incubation at 55° for 14 days. Grading is conducted in two ways—by the dairy products control division of the Ministry of Agriculture, and by butter wholesalers.

Since all creameries in Denmark manufacture butter for export, the government examines every creamery three times a year. Butter samples are tested for water and salt, mold, catalase number, leakiness, texture, body, flavor, aroma, color, and keeping quality. Processing methods are also examined as well as packaging methods and materials.

Since 1941, creameries have been obliged to sell, with few exceptions, to government-licensed butter wholesalers. To supplement the government examinations, these wholesalers are required by law to conduct tests at regular intervals. The wholesaler must take a sample of butter from each creamery once a week, which he tests for keeping quality and grade. In addition, at least two churnings from each creamery must be tested weekly for moisture content and leakiness; one churning every second week for catalase (effectiveness of cream pasteurization); and one churning a month for mold.

What is particularly interesting about the quality grading is that it is conducted both in the government division and in the wholesalers' premises by judging teams from the industry itself.

On the nine-man judging team

employed by the government control division, three are exporters, three creamery managers, two dairy advisers, and one a government representative. On the wholesalers' team, two are exporters, two creamery managers, and two dairy advisers.

**Cheese.**—Hard cheese is graded by the government control division once a week by four judges, also representing industry and government. The graders examine appearance—rind, paraffin covering, wrapping, and so forth. They also test for flavor, body, texture, aroma, and color. Gradings of soft cheese—Dabablu and Mycella—occur every other week. In addition, tests are made periodically for composition and purity.

While the Lur brand is not used on processed cheese, this type may be exported only if it is made in a plant licensed to manufacture processed cheese for export. Examination of processed cheese is made every week at the government cheese-grading office on the same basis as that for cheese carrying the Lur brand. Keeping-quality tests are conducted on processed cheese by incubation for 7 days at 99° F.

## The Netherlands

The Netherlands is the second largest cheese exporter in the world—New Zealand is first—and is also a large exporter of butter. Like Denmark, it strives to maintain the high standards that have given to its dairy products such an enviable reputation. Dutch inspection methods, however, are somewhat different from those in Denmark.

**Butter.**—The first government regulation on butter was the Butter Act of 1889, aimed at insuring the purity of butter and preventing its adulteration. In 1905, butter produced at a factory supervised and inspected by a butter control station was required to bear a government mark, and after 1920, no butter could be exported without this mark.

As in Denmark, the dairy producers and the government cooperate on control measures. Butter control stations—of which there are nine throughout the country—were organized by producers and exporters, under govern-

ment supervision, to provide a continuous and reliable check on the composition and purity of the product. Before a producer or exporter can become a member of a butter control station, he must be licensed to manufacture or export butter, and also to pack and sell it. He must agree to any inspection that the station may require, and must follow practices established by the station to maintain production standards.

Further assurance of quality is gained through the Dairy Control Board (Z.K.B.), jointly organized by the government and the dairy industry in 1937. At six Control Board stations butter is examined for aroma, flavor, consistency, and appearance. Inspections are made and samples taken at least once every 3 weeks at each creamery; the butter is then held for 12 days at 57° F. before the examination is made. Samples are also taken at export points and examined. Since 1951, the Board has required quality control on all butter to be exported, and the marking of each lot with a quality mark and also with a serial number so that any given lot can be traced back through the exporter to the manufacturer.

**Cheese.**—In the earlier years, only whole milk was used in cheese making. As technological advances were made, partly skimmed milk came to be used for certain varieties. Unfortunately, abuses with respect to fat content crept into the trade, so that cheese control stations, similar to the butter stations, were established. A government mark was introduced, showing either a minimum fat content or that the cheese has been made from unskimmed milk. For the latter, a minimum fat content can be guaranteed if the buyer requests it.

Cheese for export must pass the quality standards established by the Minister of Agriculture. This applies to both natural and processed cheese. Besides the usual requirements for color, aroma, texture, and so forth, a minimum age requirement is specified in the case of natural cheese. As a final guarantee of quality, for both cheese and butter, a rigid examination is made of packing, packaging materials, and methods.



# PEOPLE IN THE NEWS



## Dwight Bishop Named For Belgian Congo Post



Dwight D. Bishop, who has served as assistant U.S. agricultural attaché in Havana for the past 2 years, is now U.S. agricultural officer at

Leopoldville. His assignment covers the Belgian Congo, French Equatorial Africa, French Cameroons, Angola, and Ruanda-Urundi.

Mr. Bishop has had extensive experience in agricultural affairs. He holds a bachelor of science degree in agriculture from the Texas College of Arts and Industries and a master of science degree in agricultural economics from Texas A & M.

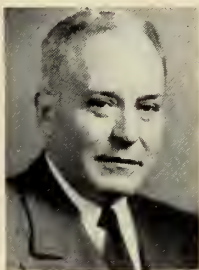
## Ferguson to Reopen Attache Office in Lisbon



Herbert K. Ferguson has been appointed U.S. agricultural attaché to reopen the post at Lisbon, Portugal. At the time of his appointment he was assistant U.S. agricultural attaché in Rome, Italy. He also served for 2 years as assistant attaché at Rio de Janeiro, Brazil.

Mr. Ferguson is a native of Wisconsin. He received a bachelor of science degree in agriculture from the University of Wisconsin and went on to obtain a master of science degree from Cornell University. He is member of the American Farm Economic Association.

## Cleveland McKnight Goes To Dominican Republic



Cleveland B. McKnight, recently appointed U.S. agricultural attaché to Ciudad Trujillo, Dominican Republic, brings experience in Latin American affairs to the job. He spent the last year and a half as Latin American Area Officer for the Foreign Agricultural Service and worked a number of years in Argentina and Guatemala. He has also held posts in England, Ireland, and India.

Mr. McKnight is from Atlanta, Georgia, where he received a bachelor's degree from Emory University.

## Brigalow Belt

*(Continued from page 10)*

main at the present price levels, dairying will not be particularly attractive.

For the United States the greatest competition undoubtedly will come from the hard wheat grown in this area. Certainly it will be more competitive than the soft wheats from southern and western Australia. If cotton expands, as it might very well do, the Australian market for U.S. cotton may be reduced. Home consumption, of course, could absorb much of this expanded production, particularly if both immigration and industrial growth continue at their postwar pace. Yet it seems more likely that Australia will channel as much of its farm production as possible into international trade to finance the country's industrial goals.

## Drought Cuts Output In Peru Again

Peru has had no relief from the drought that hit its most populous and important farming area—southern and central Andes—more than a year ago, cutting livestock numbers and farm production sharply and necessitating additional food imports. In fact, the drought has spread to the north, where 1957 crop prospects are reportedly also poor.

Farmers continue to leave their farms and move to coastal areas. Cattle, sheep, and alpaca numbers are down sharply, as are calf and lamb crops for the second consecutive year. Heavy importation of beef cattle from Central America and of beef and livestock from Argentina continues. The abnormally low level of rivers, together with some area diversion necessitated by last year's pest problems, already suggest a reduction for the second year in prospects for the Tanguis cotton crop.

Water shortage may also limit any increase in the 1957 crop of extra long staple cottons in the Department of Piura. Rice production is now expected to be little or no greater than that of a year earlier when production totaled 565 million pounds despite some increase in water availability in the Chiclayo area, where a river diversion program was completed recently. Tropical crops, too, notably coffee, in some eastern valleys and fruits and vegetables in the west coast valleys are being affected by the drought. Sugar prospects for 1957 are still uncertain; there are water shortages as a result of the lowering of the water table available to irrigation wells, but ample late-season water, plus further improved production techniques, could bring production up to last year's record crop, which totaled 750,000 short tons.

To help relieve the critical food shortages, the United States will send about 40,000 tons of food grains to Peru. It will be made available under Title II of Public Law 480, which authorizes the granting of U.S. agricultural commodities to friendly peoples for emergency purposes.

# WORLD

## Agricultural Summaries

**Cocoa.** Generally favorable weather should contribute to a larger cocoa bean crop for the 1956-57 season. Total world production, estimated at 1,864 million pounds, is 1.8 percent above production in 1955-56. The biggest increase is anticipated in Central America, where almost complete recovery is expected from the adverse weather conditions which damaged the 1955-56 crop.

**Cottonseed.** World cottonseed production for 1956-57 has been estimated at 18.8 million short tons compared with last year's record 18.9 million. A drop in U.S. and Mexican output is not entirely offset by increases in India and the Communist countries, principally the USSR and China. The United States normally accounts for about a third of total world production.

**Flaxseed.** Estimates of world flaxseed production show a near record high of 173 million bushels in 1956—47 million bushels more than in 1955. Output increased in all countries except India, but the bulk of the expansion is accounted for by Canada, Argentina, and the United States.

**Coffee.** World coffee production declined about 6 percent for the marketing season of 1956-57—from 50.3 million bags (132.276 pounds) in 1955-56 to 47.4 million. The major decline, in Brazil, was caused by adverse weather conditions. The remainder of the coffee-producing world has maintained or increased its level of production.

**Castor Beans.** World production of castor beans in 1956 remained virtually the same as 1955 at a little over 520,000 short tons. A decline in the Brazilian crop was offset by increases in India and Mexico. Fifty to 60 percent of the world crop is produced in Brazil and India.

### Japan to Control Textile Exports to U.S.

Japan, on Jan. 16, 1957, informed the United States that it had inaugurated a 5-year program to control cotton textile shipments to this country. This program was announced as a major step forward in developing orderly and mutually beneficial trade between the two countries. It was devised to meet the problems caused by heavily concentrated exports of blouses, velveteens, and gingham in 1955, which had affected domestic producers and had caused apprehension in the entire U.S. textile industry.

The industry's concern had been expressed in petitions to the Tariff Commission and requests for the Congress and the Executive Branch of the U.S. Government to establish quotas on textile imports. The Executive Branch had studied the problem with U.S. cotton textile and apparel manufacturers, and had discussed it with representatives of the Japanese Government.

Japan's new program places an overall ceiling of 235 million square yards annually on its exports of cotton manufactures to the United States. Within this ceiling cotton cloth is limited to 113 million yards, woven and knit apparel 83 million yards, and household goods and miscellaneous items 39 million.

The program provides for exports to be distributed equally by quarterly periods as far as practicable and as necessary to meet seasonal demands. Also, the Japanese Government plans to take all feasible steps to prevent transshipments to the United States through third countries.

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### Yugoslav Collectives

*(Continued from page 7)*

general cooperative associations. However, many Yugoslav leaders regard the collective farm as the ideal agricultural unit in a socialist state, and this faction seems to hope that the "general cooperative-independent farmer" combination can be used as an indirect means of "encouraging" farmers to go a step further and voluntarily organize into collective farms.

### South Asia

*(Continued from page 5)*

no more than is needed at home. In fact, some imports may continue to be necessary in years when crop conditions are below average.

#### Nepal

Many possibilities exist for expanding and developing the economy of Nepal, a little known, largely mountainous kingdom located northeast of India along the southern slope of the Himalaya Mountains. More than 90 percent of its people are engaged in agriculture but only about 14 percent of its land is cultivated. Yields are low, and the average level of living is little more than bare subsistence. Foreign trade is limited, and is carried on almost entirely with India.

In the past few years, a beginning at planned economic development has gotten under way with technical and economic assistance from India and the United States.

In July 1956 the Nepalese cabinet approved, in broad outline, a Five Year Plan for development. The Plan visualizes the expenditure of some \$70 million over 5 years. Nepal anticipates that roughly three-quarters of the expenditure will become available in the form of economic assistance from India, the United States, and Communist China.

Under the Plan, priority is given to extending and improving the country's meager transportation and communications system. Agricultural projects, including irrigation and village development, stand second. Other projects include public health, electric power, forestry, and education.

Conditions appear reasonably favorable for progress under the First Five Year Plan. Some increase in agricultural production appears likely, but will probably be absorbed in the country, where many people are underfed. Expected improvements in health conditions will almost surely bring an increase in population and a consequent need for more food and other farm products. Thus, Nepal's foreign trade in agricultural products is not likely to change materially for some years.



# TRADING POST



## **India Reduces Quotas But Eases Restrictions**

India has announced a reduction in import quotas for the first 6 months of 1957 on 509 items, including tobacco, fruits, wines and liquors, textiles, and many other manufactured consumer goods. The action, which will probably save the country some \$63 million, was necessitated by a serious decline in India's foreign exchange reserves.

A new import policy narrowing the distinction between soft and hard currency areas was also announced. Importers are now permitted to utilize up to 50 percent of the face value of soft currency licenses for imports from the dollar area.

## **Rhodesia and Nyasaland Promote Castor Beans**

Commercial-scale production of castor beans is being encouraged in the Federation of Rhodesia and Nyasaland. It has been reported that 15 tons of a new hybrid castor bean will be shipped from the United States to be distributed to farmers. A new company, formed to promote the venture, guarantees to buy the resultant crop at a minimum price to the farmer of equivalent U.S. \$75 per short ton.

## **Canada Is Net Importer Of Beef Cattle**

Canada has become a net importer of beef cattle, reversing its long-standing position as an exporter. In 1956, Canada imported 5,631 head of beef cattle in comparison with net exports of 12,208 head during 1955. The reversal has been attributed to growing population and increased per capita consumption of beef.

## **France Names Its First Agricultural Attaches**

France has appointed three agricultural attachés, one each in London, Rome, and New Delhi, to promote exports and develop markets for French farm products. The appointments became effective Jan. 1, 1957.

## **Canada Plans Program To End Brucellosis**

A new program of area-testing to help eradicate brucellosis in cattle has been announced by the Canadian Ministry of Agriculture. Areas will be accepted for the program on the recommendation of the Provincial Departments of Agriculture. All susceptible animals will be tested and infected animals, slaughtered. Compensation, at the rate of \$40 for grades and \$100 for purebreds plus salvage, will be paid to owners.

Previous anti-brucellosis measures have reduced the incidence of the disease to the point where officials believe the time is right for complete eradication. Annual loss to Canadian cattlemen from the disease is estimated at \$9 million.

## **France Steps Up Purchases Of U.S. Cotton**

France imported 3 times as much cotton from the United States during the first quarter of the 1956-57 season (August-October) as in the comparable period a year earlier, mainly because of the sharp drop in the price of U.S. cotton after Aug. 1, 1956. The generally lower prices for raw cotton are beginning to retard the rapid increase in use of synthetic fibers, since spinners have had less incentive to substitute cheaper synthetics for cotton.

## **Proposed Irish Company To Speed Cattle Exports**

A number of Irish livestock organizations are sponsoring a new company to handle direct shipments of livestock to continental Europe. Recently large-scale exports have created problems with which small companies and individual traders have been unable to cope. The proposed company, by centralizing all sales, should be able to meet these problems more efficiently. The first meeting to organize the new company took place in Dublin this February.

## **Burma Selling More Rice Abroad**

Burmese rice exports during the first 9 months of 1956 increased 18 percent over shipments in the corresponding months of 1955.

Principal markets which upped their takings considerably included Indonesia, Pakistan, Ceylon, and the USSR and Satellites (Czechoslovakia, East Germany, and Poland). Japan showed only a small increase.

## **Japan Expands Budget For Wool Imports**

Japan's foreign exchange allocation for wool will be increased by \$87.5 million for this fiscal year, according to trade sources. This will permit additional imports of 350,000 bales (approximately 300 pounds each) and will increase total raw wool imports by 440,000 bales over last year.

Larger imports are needed because wool consumption in 1956 reached 1.5 million bales—far more than the 820,000 bales estimated.

## **Cuba-Switzerland Pact Highlights Tobacco**

Cuban tobacco is included in the trade agreement between Cuba and Switzerland, which will be continued for 3 years according to recent reports. The agreement extends to each country the most-favored-nation treatment by the other.

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### **Sweden's Butter Trade Shows Sharp Increase**

Sweden's butter exports—totaling 30.4 million pounds in the first 10 months of 1956—were nearly 4 times greater than the 7.8 million pounds exported during all of 1955. West Germany, again the principal market, took 11.1 million pounds. The United Kingdom, whose butter imports from Sweden were insignificant in 1955, took 3.8 million pounds. Sales to France, Switzerland, and North Africa were also up considerably.

### **Costa Ricans Buy U.S. Chicks, Feed, Equipment**

Costa Rica's growing poultry industry has increased the demand for U.S. supplies and baby chicks. A newly formed poultry cooperative has imported 3.5 million pounds of mixed feed and some egg-cleaning and -classifying equipment. It will continue to import feed free of duty at the rate of about a million pounds a month.

Costa Rica is also planning to expand broiler production and will import slaughtering equipment soon—the amount to be contingent upon the speed with which the industry develops.

Demand for baby chicks is expected to continue upward to supply chickens for the broiler industry and to replace birds in laying flocks.

### **French Walnut Industry Damaged By Freeze**

France's 1956 walnut crop was 45 percent below that of 1955. According to the French Ministry of Agriculture, freezing weather throughout Central Europe during February 1956 killed 15 to 20 percent of France's bearing walnut trees. The Ministry estimates that it will take six years to return production to former levels.

Walnuts from the 1956 French crop are generally smaller in size than those of prior years. About 40 percent of the crop will meet minimum export size requirements. Some exporters are seeking to have minimum size requirements eased in order to retain traditional foreign markets.

### **Brazilian Packers Seek Higher Exchange Rate**

Brazilian meat packers have requested an increase of about 33 cruzeiros per U.S. dollar in their export exchange rate. According to packer representatives, the meat industry will have to discontinue production of canned meat for export if the exchange is not adjusted. The rise in the price of canner cattle has upped packing-house costs, so that the requested rate would augment packing-house revenues without raising costs to overseas buyers.

### **Burmese Build Cigarette Plant**

The new Burmese Tobacco Company, which will begin operation this year, has purchased a shipment of Virginia (flue-cured) tobacco and some cigarette machinery through a British firm. The new company plans to produce high quality cigarettes similar to the popular British brands that have disappeared from the Burmese market.

### **India Will License Cotton Waste Exports**

India will freely license exports of cotton soft waste, including slivers, roving ends, and bondas, through June 30, 1957. Cotton hard waste will also be licensed freely, subject to an overall ceiling, for the same period or until the ceiling is reached.

### **Philippines Selling More Copra and Coconut Oil**

Exports of copra and coconut oil from the Philippines in 1956 reached a new record of over 1.1 million long tons (copra equivalent basis)—a 22-percent increase over the 931,247 tons exported in 1955 and exceeding the 1947 record of a little over a million tons. Copra exports were up 18 percent and oil exports, 45 percent over 1955.